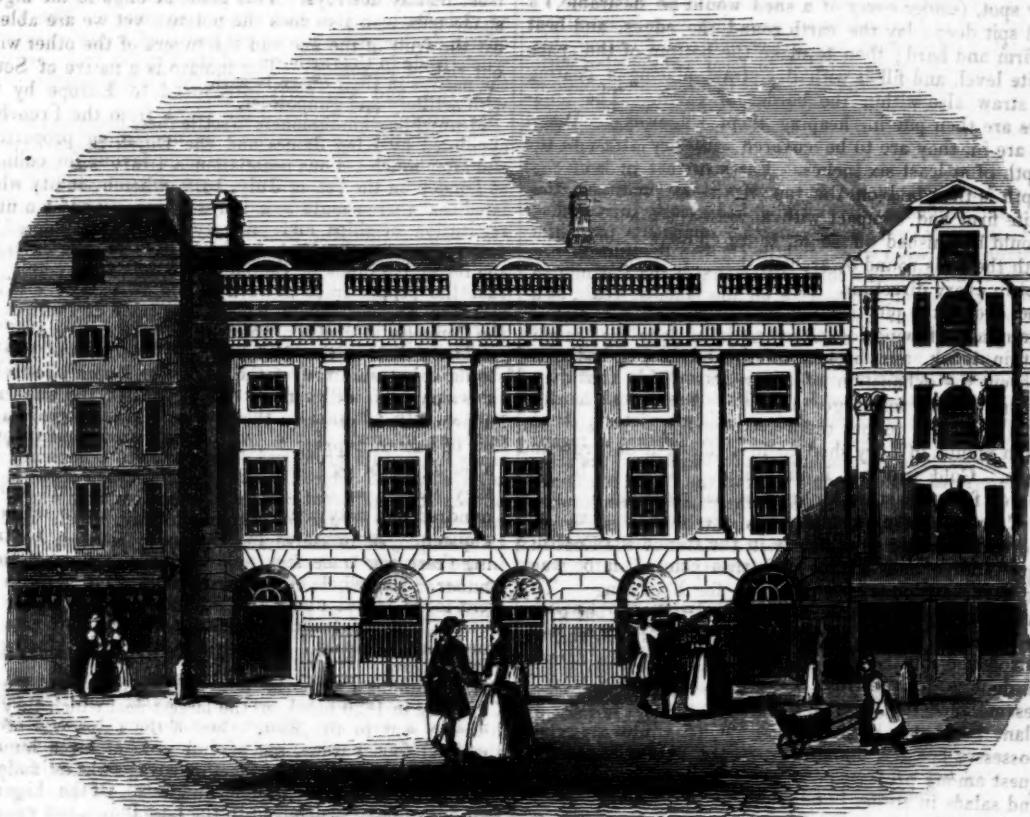




HISTORICAL SKETCH OF THE ORIGIN, RISE, AND PROGRESS OF THE EAST INDIA COMPANY.



THE EAST INDIA COMPANY'S HOUSE IN LEADENHALL STREET. 1648 TO 1726.

II.

SECTION I.

PROCEEDINGS OF THE COMPANY UP TO THE YEAR 1624.

THE history of the East India Company, during a considerable period after its first establishment, is occupied quite as much with its contests with rival nations of Europe in this lucrative trade as with the detail of its mercantile proceedings. The Portuguese claimed, as discoverers of the passage by the Cape of Good Hope, an exclusive right to trade in that direction. They had, by various means, obtained possession of Goa, Bombay, and other places on the Malabar coast; they were masters of Aden, at the entrance of the Red Sea; of Ormus, in the Persian Gulf; of part of the Malay coast, in the Straits of Malacca; of the Molucca Islands, and of the coasts of Ceylon,—the most valuable of all the Eastern islands: they had established factories in Bengal and in Siam; and they had founded a new city at Macao, on the coast of China.

So long as the Dutch were subject to the crown of Spain they procured the productions of the East from Lisbon, and from thence distributed them to other nations of Europe; but when that industrious people had succeeded in throwing off the tyranny under which they had so long groaned, one of the means adopted by Philip to distress them was, to deprive them of their commerce with his dominions. From

this narrow and short-sighted policy it resulted, as a natural consequence, that the Dutch became rivals with their former masters in the trade with India itself.

"At the time when the Dutch commenced their voyages to the East, the crown of Spain was engaged in enterprises of so much importance in other quarters, and so much engrossed with the contemplation of its splendid empire in the New World, that the acquisitions in the East Indies of the Portuguese, now become its subjects, were treated with comparative neglect. The Dutch, accordingly, who entered upon the trade to India with considerable resources and the utmost ardour, were enabled to supplant the Portuguese in the spice trade, and, after a struggle, to expel them from the Molucca Islands. That celebrated people, now freed from the oppression of a bad government, were advancing in the career of prosperity with great and rapid strides. The augmentation of capital was rapid in Holland,—beyond what has often been witnessed in any other part of the globe. A proportional share of this capital naturally found its way into the channel of the India trade, and gave both extent and vigour to the enterprises of the nation in the East; while the English, whose country, oppressed by misgovernment, or scourged with civil war, afforded little capital to extend its trade, or means to afford it protection, found themselves unequal competitors with a people so favourably situated as the Dutch.

"During that age, the principles of public wealth were very imperfectly understood, and hardly any trade was regarded as profitable but that which was exclusive. The different nations which traded to India, all traded by way of monopoly; and the several exclusive companies treated every proposal for a participation in their traffic as a proposal for their ruin. In the same spirit, every nation which obtained admittance into any newly-explored channel of commerce endeavoured to exclude from it all participants, and considered its own profits as depending upon the absence of all competition.

"The Dutch, who were governed by the same prejudices as their contemporaries, and actuated, at least in that age, with rather more than the usual intensity of appetite for gain, beheld with great impatience the attempts of the English to share with them in the spice trade. While contending for their independence against the power of Spain, and looking to England for support, they were constrained to practice moderation and forbearance; and during this time the English were enabled to form a connection with Sumatra, to establish themselves at Bantam, and obtain a share in the traffic of pepper, which being a commodity so generally produced in the East, could not easily become the subject of monopoly. But before the English made efforts, on any considerable scale, to interfere with the trade of the further India, where the finer spices were produced, the power and confidence of the Dutch had greatly increased.

"That people were more effectual opponents than the Portuguese, between whom and the English the interference was not so direct. The chief settlements of the Portuguese on the continent of India, were on the Malabar coast, at a great distance from Surat, which was the principal seat of the English: it was in the Persian trade alone that much incompatibility of interest existed; and feeble, in India, as the English at that time were, it is remarkable that they were an over-match at sea for the Portuguese; and hardly ever encountered them without a brilliant victory, or at least decided advantages. The case was different in regard to the Dutch: the pretensions of the English to the spice trade interfered with the very vitals of the Dutch commerce in the East; and the fleets which the prosperous enterprise of the new republic enabled it to maintain were so far superior to those which the restricted means of the English company allowed them to send, that contention became altogether hopeless and vain."

The commencement of hostilities between the English and the Dutch seems to have been connected with the following circumstances. On the 10th of July, 1617, a Dutch ship being wrecked near Surat, and the goods saved from the wreck being allowed to be disposed of in that city, the Dutch at once perceived the great value of the trade at that port, and determined, if possible, to acquire a portion of it. Accordingly, having profitably disposed of their goods, they left ten merchants with sufficient funds to commence trade, promising to send out new stock and shipping from Europe in the following season. The remainder of the officers and crew of the wrecked ship then proceeded overland to the Dutch factory at Masulipatam.

This conduct on the part of the Dutch seems to have been reciprocated by the English in the occupation of two small islands, called Polaroon and Rosengin, which, though not actually occupied by the Dutch, were intimately connected with some of their possessions. The Dutch, therefore, attacked Polaroon with three ships, but finding the defences to be secure they retired, and on the voyage seized one of the Company's ships, on her passage to Rosengin, and having corrupted the crew of another ship, obtained possession of it also, and carried both ships to a Dutch settlement. The factory at Bantam protested against these proceedings, and demanded the restitution of the ships, which was refused unless the English would consent to surrender all their rights and claims on Polaroon and the other Spice Islands.

"In all cases of national aggression," says Bruce, "the party committing the injury, is, generally, the first who complains." Accordingly, as soon as these proceedings were known in Europe the Dutch Company presented a memorial to King James, stating that, being in possession of a trade at Bantam, the English factory had endeavoured to instigate the Emperor against them, and had repeatedly assisted the natives, both of the Bandas and the Moluccas, particularly at Amboyna, in violating those treaties which they had concluded with the Dutch Company, for the exclusive trade and control of those islands, and, therefore prayed for the King's interference with the Directors of the

London Company, to prevent any further encroachments on possessions which had been ceded to them by the natives, or of which they had made a conquest from the Spaniards.

The London East India Company in reply enumerated the grievances and oppressions which their ships and factors had received from the Dutch during the last three years in which they had only been endeavouring to retain their rights at Bantam, and to introduce their trade in such islands as had not hitherto been pre-occupied by the Dutch, and that they had made agreements with the natives at ports in the Spice Islands of this description, from which by the superior force military and naval of that people they had been driven with great loss both of men and property; and as instances, they referred to the violence and opposition experienced from the Dutch at Bantam, Polaroon, Rosengin, Amboyna, and Tidore.

In the East the rival parties resorted to intrigue as well as violence to injure each other's commerce. The Dutch offered double prices for pepper that they might engross the whole trade in that article; and the English took part with the natives in their quarrels with the Dutch, assisting them with artillery and gunpowder.

Meanwhile commissioners to settle these disputes had been appointed by King James and the Dutch States-General, and after much tedious negotiation a treaty was concluded at London on the 7th of July, 1619, whereby it was stipulated that there should be a mutual amnesty and a mutual restitution of ships and property; that the trade of the two nations in the East should be free to the extent of the respective funds or capital which might be employed; that the pepper trade at Java should be equally divided; that the English should have a free trade at Pullicate on the Coromandel coast on paying half the expenses of the garrison; that at the Moluccas and Bandas the English should enjoy one-third of the trade, the Dutch two-thirds, the charges of the garrisons to be paid in the same proportion. In addition to these items which referred to the opposing interests of the two nations, arrangements were made for mutual profit and defence. Both Companies were to endeavour to reduce the duties and exactions of the native officers at the different ports, and each Company was to furnish ten ships of war for common defence, which were not to be employed in conveying cargoes to Europe, but only in the carrying trade from one port of the East Indies to another. The whole of the proceedings thus agreed upon were to be placed under the regulation of a "Council of Defence" in the Indies, to be composed of four members from each Company. This treaty was to be binding for twenty years.

In compliance with the terms of this treaty the English Company in 1620 fitted out the largest fleet which they had hitherto sent to the East. One of the ships was of one thousand tons burden, and several were of seven hundred tons each: the investment for this voyage was estimated at 62,400*l.* in money, and 28,500*l.* in goods. Of the ships thus sent out, nine were detained in the East Indies, and one only returned with an investment, the sale of which produced 108,877*l.*

Before the Council of Defence had time to establish itself in the East, the English had suffered repeated acts of violence and oppression on the part of the Dutch; and when the Council began to operate, the Dutch agreed to some of the least important conditions of the treaty, and endeavoured to evade the rest. They agreed to the restitution of ships taken from the English, but refused to inquire respecting goods and stores taken by individuals, on the ground that the Company could be responsible only for its own acts, and not for those of individuals. (It appears, however, that when the same position was assumed by the English, the Dutch refused to acknowledge it.) They refused to allow the English their share of the pepper trade until indemnified for certain fortifications and expenses incurred at the siege of Bantam. They asserted that at Jacatra and all other places where they had erected fortifications they possessed the rights of sovereignty; and that the English could claim no permission to reside there except under the Dutch laws. They stated the large expenses they had incurred in erecting fortifications on the Spice Islands, the maintenance of which they estimated at 60,000*l.* per annum, and they required the English to contribute a proportion of this before they could be admitted to the stipulated share of the trade. The English objected that many of the forts were built by the Dutch as defences against the Spaniards and Portuguese, with whom the English were not at war, and in places at which no produce

or spices could be found or expected. "On the whole it may be remarked," says Mr. Mill, "that if there were fortifications at places where none were required, the English had a right to decline paying for the blunders of the Dutch; but as they claimed a share of the trade upon the foundation of the Dutch conquests, and would not have been admitted to it, without a war, had not those conquests taken place, it was a less valid plea, to say that they were not at war with the Spaniards and Portuguese. In framing the treaty no distinction was made between past and future expenses. The English intended to bind themselves only for a share of the future; the Dutch availed themselves of the ambiguity to demand a share of the past; and in all these pretensions they acted with so high a hand, that the English commissioners of the Council of Defence reported the impracticability of continuing the English trade, unless measures were taken in Europe to check the overhearing and oppressive proceedings of the Dutch."

The ten ships which had been sent out by the English Company in compliance with the terms of the treaty had so far diminished their resources, that in the following year they were not in a condition to send out more than four ships, the cargoes of which were estimated at 12,900*l*. in money, and 6,253*l*. in goods. Of this small fleet one ship only returned to England, the others having been detained in India for the protection of the English settlements and trade. The great loss sustained by the Company from this interruption to their commerce may be estimated from the value of the cargo which was brought home by this single ship, consisting of spices, which at the sale produced 94,464*l*.

The intercourse between the two rival Companies at Surat, in Persia, and on the Western coast of India, had hitherto been very limited; the scene of their rivalry was chiefly confined to Java and the Spice Islands. In the circle of operations of which Surat was the centre, the English were better prepared to cope with the Dutch, and, indeed, had less to fear. Notwithstanding the continued opposition of the Portuguese they had greatly improved, and extended their trade with Persia, and were prepared to defend it by force of arms.

In November, 1620, two of the Company's ships, had sailed from Surat to Persia, and on attempting to enter the port of Jasques, found it blockaded by a Portuguese fleet, consisting of five large, and sixteen smaller vessels. Not being able to cope with so superior a force, the two ships returned to Surat, to obtain, if possible, reinforcements. There they were joined by two other ships, and returning to Jasques, an indecisive action was fought; the Portuguese gave way, and the English ships entered the port. The Portuguese retired to Ormus, and refitted, and again appeared in the Jasques roads to renew the action. The conflict was obstinate, but terminated in favour of the English. This action impressed the Persians favourably towards the English, and led to a proposal for a union of their forces in order to expel the Portuguese from the island of Ormus, which that nation, in the time of their prosperity, had seized and fortified. The English at first hesitated, but the Persians refusing to allow them to take in their cargoes, consent was given. The naval force was furnished by the English, the military by the Persians; the attack was chiefly conducted by the former; and on the 22nd of April, 1622, the city and castle were taken. The English received for this service a proportion of the plunder of Ormus, and a grant of half the customs at the port of Gombroon, which afterwards became their principal station in the Persian Gulf. The Company's agents at Bantam (who since the treaty of 1619 had taken the title of President and Council, and with a sort of control over the other factories) condemned this enterprise, because from the absence of the ships the pepper investment had been lost and the trade in general much injured.

This exploit was not without its consequences at home. Under the idea that prize-money, to an enormous amount, had been gained by the Company and their officers at Ormus and other places, the King, and the Duke of Buckingham, as Lord High Admiral, claimed shares; the one as droits of the Crown, the other as droits of the Admiralty. The Company seem to have made it a point of prudence to admit the claim of the King, "not feeling it to be their duty to dispute any point with his Majesty;" but they resisted the Lord Admiral's claim, on the plea that they had not acted under letters of marque from him, but under their own charter. The question was referred to the Judge of the Admiralty Court; the witnesses examined were the com-

manders and officers of several of the Company's ships which had made prizes; and, according to their statements, the amount of prize-money was calculated at 100,000*l*. and 240,000 *rials* of eight. Against these sums the Company were desirous of setting off their charges and losses in equipments, and the injury their trade had suffered by withdrawing their ships from commerce to war. Various other solicitations were made without effect; but nothing less than the payment of the claims would satisfy; and the money not being produced, the Lord Admiral arrested a fleet which was just on the point of sailing, and the Company, fearing to lose the season for sailing, offered a compromise. The Lord Admiral received 10,000*l*. in discharge of his claim, and an order was sent to the Company, from Sir Edward Conway, Secretary of State, to pay also 10,000*l*. to the King. Mr. Bruce refers to an attested copy of this order, now in the State Paper Office, but Mr. Mill says there is no direct evidence that the money was ever paid.

Although the English Company still continued to suffer much from the determined opposition of the Dutch, yet, in the season 1623-24, the factors were enabled to send home five ships with spice which at the sales produced 485,593*l*. exclusive of the sale of Persian raw silk, which amounted to 97,000*l*. and to these sums were added 80,000*l*. received from the Dutch, in compensation for the losses and injuries which the Company had sustained previously to the Treaty of 1619.

SECTION 2.

THE MASSACRE AT AMBOYNA.

Although the season 1623-24 was a prosperous one to the domestic exchequer, yet the affairs of the Company in the Spice Islands were becoming more desperate. The English section of the Council of Defence represented to the court, that the Dutch governor, Carpentier, continued to exercise his power with positive tyranny, and had reduced the English to that defenceless situation, in which they neither could resist ill treatment from the natives, nor resent wrongs and injuries; that the English factory had been charged with every item of expense without either having a voice in the disposal of the money, or any share in the management of the trade; that the council, instead of employing the fleet of defence for the mutual protection of the trade and settlements of the two Companies, had directed it to consolidate the sovereignty of the Dutch, and to projects for ruining the English; that the English were almost entirely deprived of their trade in the Spice Islands, and that under the pretext of a conspiracy the Dutch had executed great numbers of the natives and reduced Polaroon to a desert.

Under these circumstances, the English section of the Council of Defence ordered the agent and factors at Amboyna to quit that station, and to return to Batavia. But before this could be done, an event occurred which made a deep and lasting impression on the minds of Englishmen, and excited general attention throughout Europe.

In February, 1623, the Dutch Governor seized on ten Japanese, and subjecting them to slow torture, extorted from them a confession that they had engaged in a conspiracy with Captain Towerson, the English agent, to seize on the castle of Amboyna, and to expel the Dutch from the island. "The unfortunate Japanese, who could not comprehend the sources of the animosity between the Europeans, sunk under their agonies, and allowed their tormentors to give any colour they chose to that fabrication, upon which they intended to inflict similar misery on Captain Towerson and the English factors; these unhappy men were therefore individually exposed to the torture, and as their probity and national firmness of character induced them to refuse, amid their sufferings, the confession of a project, which existed only in the commercial jealousies and avarice of their enemies, this firmness and this probity was held to be evidence of guilt, which instead of mitigating the ferocity of their oppressors, increased it, till human nature, worn out with pain, sought a momentary relief in confessing crimes which never existed: but even this extremity could not satisfy the merciless Dutch, who availed themselves of the presumed confession, which the torture alone could have forced from them, and on the 27th February, 1623, they executed Captain Towerson, nine English factors, nine Japanese, and one Portuguese sailor."

Such is Mr. Bruce's account of this transaction, and it is one of the most moderate; other accounts appearing to be grossly exaggerated. "But the facts of an event, which roused extreme indignation in England, have never," says Mr. Mill, "been exactly ascertained. The nation, whose

passions were kindled, was more disposed to paint to itself a scene of atrocity, and to believe whatever could inflame its resentment, than to enter upon a rigid investigation of the case. If it be improbable, however, on the one hand, that the English, whose numbers were small, and by whom, ultimately, so little advantage could be gained, were really guilty of any such design as the Dutch imputed to them; it is, on the other hand, equally improbable that the Dutch, without believing them to be guilty, would have proceeded against them by the evidence of a judicial trial. Had simple extermination been their object, a more quiet and safe expedient presented itself; they had it in their power at any time to make the English disappear, and to lay the blame upon the natives. The probability is, that from certain circumstances, which roused their suspicion and jealousy, the Dutch really believed in the conspiracy, and were hurried on by their resentments and interests to bring the helpless objects of their fury to a trial; that the judges before whom the trial was conducted, were in too heated a state of mind to see the innocence, or believe in anything but the guilt of the accused; and that in this manner the sufferers perished. Enough, assuredly, of what is hateful may be found in this transaction, without supposing the spirit of demons in beings of the same nature with ourselves,—men reared in a similar state of society, under a similar system of education, and a similar religion. To bring men rashly to a trial, whom a violent opposition of interests has led us to detest,—rashly to believe them criminal, to decide against them with minds too much blinded by passion to discern the truth, and put them to death without remorse, are acts which our own nation, or any other, was then, and would still be, too ready to be guilty. Happy would it be, how trite soever the reflection, if nations, from the scenes which excite their indignation against others, would learn temper and forbearance in cases where they become the actors themselves!"

When the news of this event reached the English President and Council at Java, they remonstrated, but in vain, in the strongest terms with the Dutch General, and desired permission to withdraw from the island. In their statements to the Court of Directors at that time, they insisted on the impossibility of continuing the trade, unless the English interests were totally separated from those of the Dutch; and that negotiation being useless, nothing but a force equal to that of their rivals could enable them to continue the trade.

The effect of the news of the massacre at Amboyna throughout England was a feeling of the utmost exasperation against the Dutch, who had long been regarded with the hatred which is commonly bestowed upon successful rivals. The Court of Directors saw their interest in ministering to the popular fury. They caused a hideous picture to be prepared, in which their countrymen were represented expiring upon the rack, while the most frightful instruments of torture were being applied to their bodies. The horrors of Amboyna were detailed in numerous publications, which the press poured out upon the credulous public; and it was perhaps not without reason that the Dutch merchants in London, becoming alarmed for their own safety, applied to the Privy Council for protection. They complained that the populace had been stimulated by inflammatory publications, and more particularly by the picture. When the Directors appeared before the Council they denied that they had any concern with the publications, but admitted that the picture had been painted by their order, to be preserved in their house as a perpetual memorial of Dutch cruelty and treachery. "The Directors were aware that the popular tide had reached the table of the council room, and that they had nothing to apprehend from confessing how far they had been instrumental in raising the waters."

But the Directors did not rest satisfied with merely stimulating the indignation of their countrymen against the Dutch: as soon as they were in possession of authentic information respecting the massacre of their servants at Amboyna they petitioned the King to interpose his authority with the States that redress might be obtained, and that the persons who had been the guilty instruments in this disgraceful transaction might be punished.

A commission of inquiry was therefore formed of the King's principal servants, who reported in terms sanctioning the complaints of the Directors and recommended an order, which was immediately issued, for sending out a fleet to seize the Dutch outward and homeward-bound East India ships, and to detain them in England till reparation should be made.

The remonstrances which were made to the Dutch States on this subject did not elicit any very satisfactory results. That government gravely replied that they would send orders to their Governor-General in the Indies to permit the English Company's servants to retire with their property and shipping from any of the Dutch settlements without exacting any duties from them;—that in all disputes an appeal should be made to the Council of Defence, and if the parties should be dissatisfied with its decision, the case should be referred to the States and to the King, but reserving to the Dutch "the administration of politic government, and particular jurisdiction, both civil and criminal, in all such places as owe acknowledgement to the Dutch;"—that the English might build forts, for the protection of their trade, provided they were at the distance of thirty miles from any of the Dutch forts;—and that to the Dutch belonged the exclusive right to the Moluccas, Bandas and Amboyna.

This was, as Mr. Mill remarks, an undisguised assumption of all the rights for which their subjects were contending in India. The King and council and the Company were equally dissatisfied with the answer; but the Company agreed to the first article, namely, that their servants might retire from the Dutch settlements; they stated that the second and third articles were so ambiguous in their reservations, that they left the Dutch General at liberty to repeat outrages similar to those now complained of;—they therefore held that, remitting the case to the Council of Defence, was, in fact, empowering the Dutch to review and vindicate their own unjust proceedings, and was equivalent to denying redress of any kind;—and that the case required to be tried in Europe by Commissions authorised by the two nations.

"These measures of King James, during the last months of his reign (for he died on the 27th of March, 1625), failed in their effects. It is true," says Mr. Bruce, "he wished to give protection to his subjects, and, on this occasion, manifested an energy, which could not have been expected from the pacific system which he had observed from his accession; but his varying policy with the European powers had taught each of them to consider England as of less weight in that balance of power which Queen Elizabeth had established, and the States-General, in a particular manner, to throw off their dependence on the Crown of England, of which the Queen had been the source."

"On this occasion, the spirit of the English nation would have seconded a war against the Dutch, but that cold people knew that by evasions, they could blunt the momentary rage of the English court, and shun fulfilling not only the terms of the treaty of 1619, but evade granting of redress, or giving any compensation for injuries, which they neither would have dared to commit, nor ventured to excuse, in the preceding reign."

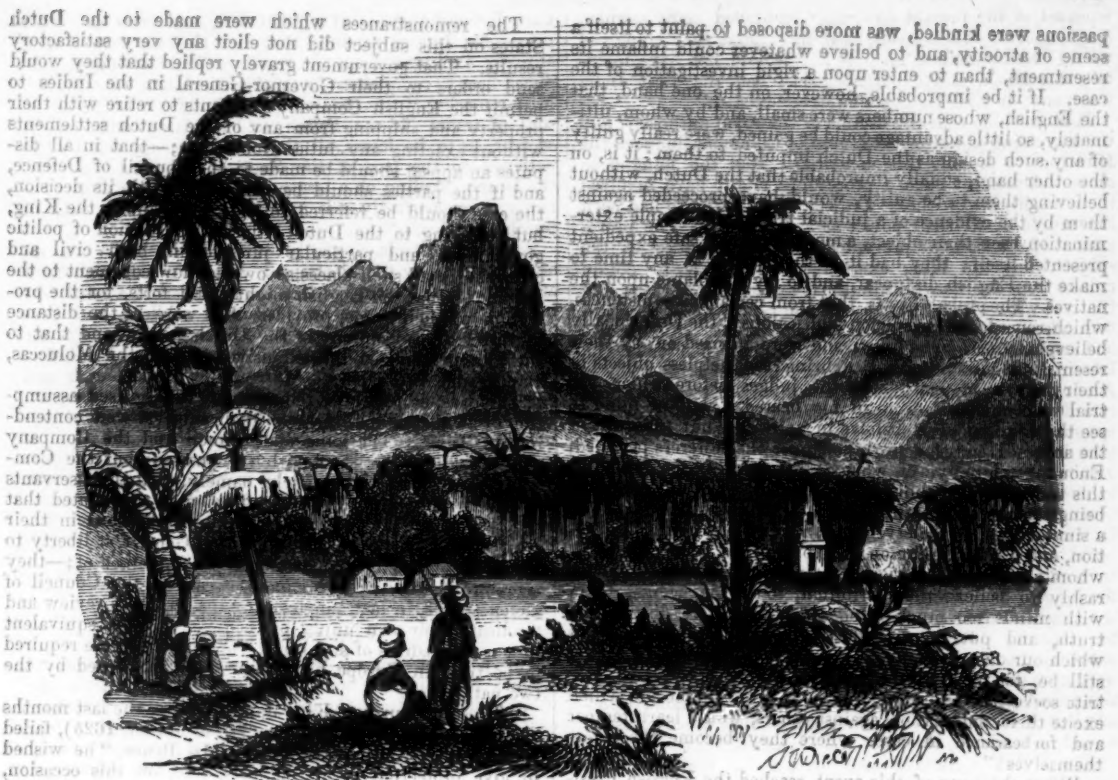
In 1624 the Company petitioned the King for authority to punish their servants by common and martial law. "It appears not," says Mr. Mill, "that any difficulty was experienced in obtaining their request; or that any parliamentary proceeding, for transferring unlimited power over the lives and fortunes of the citizens, was deemed even a necessary ceremony." This ought to be regarded as an era in the history of the Company.

SECTION 3.

PROCEEDINGS OF THE COMPANY UP TO THE YEAR 1630.

The Company's Persian trade was not prosperous. The opposition of native merchants, the extortions of the magistrates, and the very inconsiderable demand for English produce, disposed the Company to abandon the trade altogether. But before this was done, application was made to the King of Persia to interpose his authority with his merchants to prohibit their extortions. This request, at first refused, met with attention as soon as the English took measures for retiring from the trade, and the privileges granted by the king were so extensive that it was decided to continue the trade.

It is in connection with this trade that we gain some information respecting the state of the Company's affairs about this time. In the seasons 1624-5, 1625-6, and 1626-7, ships were sent out to India, but the amount of capital invested in each voyage was carefully concealed by the Company. In 1627, Sir Robert Shirley, who had been ambassador at the Court of Persia, applied to the King and council to order the East India Company to pay him 2000*l.* as a compensation for his exertions in endeavouring to



BANTAM; AN EARLY STATION OF THE EAST INDIA COMPANY IN JAVA.

establish a trade between Persia and England. The Directors objected to the demand on the ground that, instead of services, the Company had only experienced injuries from Sir Robert; and they further urged their inability to pay, they having been obliged to contract a debt of 200,000*l.*, and that their stock was so much depreciated in value that 100*l.* shares were then selling for 80*l.*

The Company sought also to repair their battered fortunes by entering into engagements which had only a remote connection with India or Persia. They established gunpowder mills in the county of Surrey; but the inhabitants of the vicinity becoming alarmed, applied to the King, to have them removed, and they were accordingly demolished. The Directors petitioned the King for permission to erect new powder-mills in Kent and Sussex, and stated that this manufacture was necessary to enable them to bring into the market the stock of saltpetre in store, or to dispose of the quantity of that article imported from India.

The Dutch found it to their interest to oppose the English in Persia, as well as in India. By force and intrigue they succeeded in obtaining a grant for a proportion of the silk trade on terms rather more favourable than those which had been granted to the English. Whereupon, the English agents at Ispahan endeavoured to get the contract with the English placed on the same terms as those with the Dutch, and by means of a considerable bribe to one of the chief officers of the court, caused a letter to be conveyed to the King, in which it was represented that although the English had for years been exposed to the trouble of opening the Persian trade by sea to the Europeans, the Dutch were deriving the whole benefit.

It has been already noticed that after the massacre of Amboyna, the Company's servants' resident at Jacatra, depressed by the repeated indignities to which they were exposed from the conduct of the Dutch, and, perhaps, fearing that they also might share the fate of their countrymen at Amboyna, requested permission to retire as soon as they could find any safe retreat for their persons and property. They sent out a ship to take possession of some island in the Straits of Sunda, at which, it was hoped, they might obtain a proportion of the finer spices. Captain Swan landed on the island of Lagundy, to which he gave the name of Prince Charles's Island, and this station was chosen as the retreat of the English until they should

receive orders from Europe. Having thus abandoned both Bantam and Jacatra, the Dutch adopted the latter place, under the name of Batavia, as their principal seat of government.

The English factors also endeavoured to form a trade on the Coromandel coast, in expectation of receiving pepper; but at Tanjore, where they projected an establishment, they were opposed by a new European rival, the Danes, who now for the first time became adventurers in the East India trade.

But new misfortunes awaited the English factors. The island to which they had retreated was found to be so unhealthy that they were obliged to abandon it, and on the 31st May, 1625, they returned to Batavia with 120 sick out of 250, and not a sufficient crew to enable them to dispatch a single ship to any of the English factories.

The opposition of the Dutch now became more and more general and decided. The English had established factories at Masulipatam and Pullicat, but their rivals compelled them to abandon the latter. At Armegaum they purchased a plot of ground from the chief of the district, and erected and fortified a factory; but suffering oppression from the native government at Masulipatam, which was influenced by the Dutch, they withdrew the factory in 1628, and removed it to Armegaum.

The Directors at home continued, from time to time, their endeavours to obtain redress from the many injuries they and their servants had sustained from the Dutch. On the death of James, application was made to Charles the First, who had not been inattentive to the complaints of the Company, and in 1627-28, three large Dutch East Indiamen from Surat, which had put into Portsmouth, were detained. Not satisfied with applications to the King, the Directors also presented a memorial to the House of Commons. They represented that the failure of the spice trade, and the difficulties they experienced in opening a trade for wove goods on the Coromandel coast, had almost driven them from their factories; and assigned as causes the opposition of the native powers, but chiefly the opposition of the Dutch, whose oppressions they were experiencing in every country within their limits. "The narrowness of their own funds," says Mr. Mill, "and their unskilful management by the negligent Directors of a joint-stock, far more powerful causes, they overlooked or suppressed. They set forth, however, the merits of the Company, as towards the nation, in terms

repeated to the present day; they employed many seamen, they exported much goods, and the capital they employed would have remained idle, as if it would not have maintained seamen, and exported goods; had the East India Company, on East India trade, never existed.

It is probable that the decline of the royal authority, and the increasing power of the House of Commons, induced the Directors to present this memorial. Had the King been more independent, such a proceeding might have involved them in disputes with the Crown, which hitherto had been the source of all their power as a Company. The prerogative of Parliament prevented their consideration of the subject, but the King exerted his authority to obtain redress from the States, while the detention of the ships, and the zeal with which the cause of the Company in England was taken up against the Dutch, produced remonstrance and explanation on the part of that nation. They offered a laboured defence for having delayed justice in the affair of Amboyna; they urged that the detention of the ships would retard rather than accelerate their decision; that they had appointed judges to take cognizance of the proceedings, and that delay had arisen from the situation of those judges, on whom other services devolved, and from the time required to make translations of the documents which had been transmitted; that the detention of the ships, which, in value, far exceeded any compensation which could be expected, could only tend to bring ruin on the owners, and excite animosities in Holland, which might affect the decision of the judges; or if a war should be the consequence, however the English might detain the ships of the Dutch, yet, from the disparity of force in the Indies, greater evils would ensue to the English Company than those for which they were now seeking redress. Shortly after this, on a proposal being made, that the States should send to England, Commissioners of Inquiry, and a promise that speedy justice should be rendered, the ships were released.

The Dutch Commissioners arrived in London about September, 1623. A suggestion seems to have been made that the witnesses, in the case of Amboyna, should be sent to Holland for examination; and this course was also recommended by Sir John Coke, whose opinion on the subject may be quoted as a legal curiosity. He recommends that the "Lords at London" (these are the King's ministers,) "should perawade the Company to send over the witnesses in the case of Amboyna, not by way of commandement or direction, but that they might voluntarily go, and present themselves to be examined, so as neither the States might pretend they wanted information in the cause, nor his Majesty be prejudiced in the title of submission to a foreign justice. Besides the witnesses, they are specially to be required to send over the Bible, Table books, and other documents, whereby it appeared, under the hands of the parties executed, that they protested their innocence, with some attestation, under the hands of able men, that the writings were their hands."

The Company, however, objected to this advice, because, having already sent personal and documentary evidence to Holland, they had obtained only two audiences in the course of eighteen months; and thus the matter terminated for the present.

The Company's equipment for 1627-8 was on a reduced scale; it consisted of only two ships and a pinnace. The Company sought to conceal this symptom of declining prosperity under a public statement to the effect they had numerous vessels in India which from the obstructions of the Dutch, and the state of their funds, had been unable to return;—that though the ships were few, the stock would be large, namely, 60,000*l.*, or 70,000*l.*, in money and goods; and they hoped to bring home all their ships richly laden in the following season. In 1628-9 the equipments consisted of five ships, two for India, and three for Persia: no account has been preserved of the stock, but it appears, from a petition to the King, that they proposed to export 60,000*l.* in two of the ships destined for Persia. In the season 1629-30 the Company determined to equip four ships for Persia; to send no ships to India, but to rely on the return of those already sent out.

About this time the Dutch were engaged in an active war with the native princes of Java, and the English took advantage of the circumstance to re-establish their factory at Bantam. This station being of inferior importance to Surat it was converted into an agency dependent upon the presidency of Surat, which became the chief seat of the Company's government in India. Here the opposition of the Dutch assumed a new form; they sold

their European goods, at a great loss, and gave such high prices for Indian produce that the English were almost entirely excluded from the market. This, of course, produced heavy complaints from the Company; but, as Mr. Mill remarks, "this was to complain of competition, the soul of trade. If the Dutch sold so cheap and bought so dear, as to be losers, all that was necessary was a little patience on the part of the English. The fact was, that the Dutch, trading on a larger capital, and with more economy, were perfectly able to outbid the English both in purchase and sale."

Another obstacle to the progress of the trade was an attempt made by the Portuguese to regain their influence at Surat. The Viceroy of Goa having received a reinforcement of nine ships, and two thousand soldiers, had projected the re-capture of Ormuz. His first measure was an application to the Governor of Surat to use his influence with the Mogul to expel the English and Dutch and admit the Portuguese to the exclusive trade of this port. This application being rejected, he next attempted to prevent the entrance of the English ships into Swally. A sharp action ensued, in which the English gained some advantage; this was followed by frequent skirmishes both by sea and land; the Portuguese Admiral made an unsuccessful attempt to destroy the English ships by fire; but they succeeded in landing their cargoes.

SECTION 4.

STATE OF THE COMPANY'S AFFAIRS DURING THE CIVIL WARS IN ENGLAND.

The political factions which about this time began to distract England diverted the general attention from the affairs of the East India Company. The Directors, therefore, waited for a more favourable opportunity for urging their claims upon the Dutch, and adopted such measures as they thought expedient for maintaining the East India trade.

In 1631-2 a new subscription was opened for what was called the "Third Joint Stock." It amounted to 420,700*l.*, with which seven ships were fitted out; but no account remains of the money or goods embarked. A similar mystery hangs over the investments of the two following seasons.

"The Company, like other unskilful, and for that reason, unprosperous traders, had always competitors of one description or another, to whom they ascribed their own want of success. For several years they had spoken with loud condemnation of the clandestine trade carried on by their own servants; whose profits they said exceeded their own. From servants at a vast distance, and the servants of a great and negligent master, the best service could not easily be procured. For this discovery the Directors were indebted, not to any sagacity of their own, but to a misunderstanding among the agents themselves; who betraying one another acknowledged that they had neglected the affairs of their employers to attend to their own; and while they pursued with avidity a private trade for their private benefit, had abandoned that of the Company to every kind of disorder."

Application was therefore made to the Crown for protection, and a royal proclamation was issued "for restraining the excess of the private or clandestine trade, carried on to and from the East Indies, by the officers and sailors in the Company's own ships." This document is interesting from the information it affords respecting the goods in which the Company were permitted to trade; the exports were "perpetuanoes and drapery (broad cloths, &c.), pewter, saffron, woollen stockings, silk stockings and garters, ribbands, roses edged with gold lace, beaver hats with gold and silver bands, felt hats, strong waters, knives, Spanish leather shoes, iron, and looking-glasses;" the imports were "long pepper, white pepper, white powdered sugar, preserved, nutmegs and ginger preserved, myrabolums, bezoar stones, drugs of all sorts, agate heads, blood-stones, musk, aloes, soccatrina, ambergris, rich carpets of Persia, and of Cambaya, quilts of satin, taffaty, painted calicoes, benjamin, damasks, satins and taffaties of China embroidered with gold, quilts of Pitania, embroidered with silk, galls, worm seeds, sugar-candy, China dishes, and porcelain of all sorts."

Notwithstanding the opposition to the Company by its own servants the trade was somewhat extended along the eastern coast of Hindustan. The factory at Masulipatam was restored, and certain privileges, by way of redress for former grievances, obtained from the King of Golconda, the sovereign of the place;—the Company undertaking to import Persian horses "and other rarities" into his majesty's

dominions. The consent of the Mogul emperor was obtained for trading to Piplia, in Orissa. For the better government of these stations Bantam was again made a Presidency, and the eastern coast was placed under its control.

The Company had for some time ceased to compete with the Dutch for the trade of the Spice Islands, and had sent their fleets to Surat, intending to direct their efforts to the improvement of the trade with this part of India, and with Persia; but as pepper was produced on the Malabar coast, they sought for a share in that article through a channel which the Dutch were not likely to obstruct. They made peace, in 1634, with their old enemies the Portuguese, and concluded a treaty whereby they had free access to the ports of that nation.

In the year 1635 the Company had to contend with yet another rival—one as formidable as any of whom they had hitherto complained. At this time the navy of Great Britain was very insignificant, and much difference of opinion existed in England as to the legitimate method of obtaining resources for its extension and support. The King claimed the right of ordering supplies for this service, which the Parliament, without its consent, held to be unconstitutional. At length the necessity of doing something for the support of the navy induced the King to patronize a scheme which was a direct violation of the charters and exclusive privileges conferred on the Company by Queen Elizabeth and King James. Captain Weddel, one of the Company's servants, about the close of the year 1634, entered into a scheme with Sir William Courten, and Endymion Porter, Esq., one of the gentlemen of the bed-chamber to the King, for establishing a separate trade to the East Indies, from which they hoped to derive large profits by carrying out goods to the Portuguese settlements in India and bringing home Indian produce from them for sale in England. The King himself was induced to grant his license for the new association, and even to accept of a share in the adventure. The preamble to the licence declared that it was founded upon the misconduct of the East India Company who "had neglected to establish fortified factories or seats of trade to which the King's subjects could resort with safety;—that they had consulted their own interests only, without any regard to the King's revenue; and in general, that they had broken the conditions upon which their charter and exclusive privileges had been granted to them." Mr. Mill remarks, that this was probably the general opinion of the nation; nothing less being necessary to such a violation of the Company's charter; but "allowing the contrariety to the interests of the nation, the consequences were not so ruinous, but that the stipulated notice of three years might have been given, and a legal end been put to the monopoly."

Courten's Association were not slow in availing themselves of their newly acquired privileges. They equipped four vessels, and, according to Bruce, engaged the Company's naval and mercantile servants as officers and supercargoes. The Company petitioned the King, but without success. They then sent instructions to their agents in India to offer indirect opposition to the new association. Affairs would probably have long remained in this condition but for an event which the Company endeavoured to turn to its own advantage. One of the Company's ships from Surat brought information that one of Courten's vessels had seized on two junks belonging to Surat and Diu, had plundered them, and exposed the crews to torture; and that as soon as this event was known at Surat, the President and Council had been seized and imprisoned, and the Company's property confiscated, to make good the losses of the owners of the junks. All this was stated in a memorial which the Directors presented to the King: they predicted the ruin of the East India trade unless his Majesty should interfere in their behalf, and be pleased to take the illegality of the licences and their consequences to the trade into his consideration. The subject was referred to the Privy Council, but that body suspended the investigation until Courten's ships should return.

In 1637-8 Courten's ships did return, and their cargoes sold so well, that the adventurers reaped handsome profits. This produced fresh remonstrances from the Company to the Crown; but they did not prevent a new licence from being granted to Courten's Association for five years, but they were prohibited from trading to places where the Company had established factories, and the Company were equally prohibited from interfering with the establishments of the new association.

Amidst all their difficulties the Directors seem to have

relied more upon petitions and memorials than upon skill and increased efforts in the management of their trade. They again presented to the King a full statement of their grievances, and a Committee of the Privy Council was appointed to inquire into their complaints: the instructions to this Committee were to consider the propositions which the Company might offer on the subject of the trade; to form regulations for this trade which might satisfy the noblemen and gentlemen who were adventurers in it, that their stock had been properly managed;—to vary the principle on which the India trade had been conducted, or that of a general joint-stock, in such a manner as to enable each adventurer to employ his stock to his own advantage;—to have the trade under similar regulations with those observed by the Turkey and other English companies;—to consider how the differences with the Dutch might be accommodated; and to devise a plan for uniting Courten's Association with the Company.

The committee do not seem to have conducted the inquiry with much alacrity; for no report ever appeared, and the Company again petitioned the King for justice in the case of the seizure of the two junks by Courten's ships; for injuries sustained by the Dutch; and other matters. At length their petitions and remonstrances produced some results, for in the year 1639 the King resolved to revoke Courten's license, and to renew the Company's charter on condition of their raising a new joint-stock, such as would enable them to carry on the trade on an extensive scale.

When the terms of the projected fourth joint-stock came to be considered, it appeared that the proprietors of the third joint-stock had made frequent but unavailing calls upon the Directors to close that concern, and bring home what belonged to it in India. It appears also that payment was demanded of the capital of those separate funds called the joint-stocks of the Company. "Upon this occasion a difficult question might have presented itself. It might have been disputed to whom the immoveable property of the Company, in houses and in lands, both in India and in England, acquired by parts indiscriminately, of all the joint-stocks, belonged. Amid the confusion that pervaded all parts of the Company's affairs, this question had not begun to be agitated; but to encourage subscription to the new joint-stock, it was laid down as a condition, that to prevent inconvenience and confusion the old Company or adventurers in the third joint-stock, should have sufficient time allowed for bringing home their property, and should send no more stock to India after the month of May. It would thus appear that the proprietors of the third joint-stock, and by the same rule the proprietors of all preceding stocks, were, without any scruple to be deprived of their share in what is technically called the 'dead stock' of the Company, though it had been wholly purchased with their money. There was another condition to which inferences of some importance may be attached: the subscribers to the new stock were themselves in a General Court to elect the Directors to whom the management of the fund should be committed, and to renew that election annually. As this was a new Court of Directors, entirely belonging to the fourth joint-stock, it seems to follow that the Directors, in whose hands the third joint-stock had been placed, must still have remained in office, for the winding up of that concern. And, in that case, there existed, to all intents and purposes, two East India Companies, two separate bodies of proprietors, and two separate Courts of Directors, under one charter."

The previous misfortunes of the Company, the ascendancy of the Dutch in India, and the unsettled state of political affairs at home, all seem to have had an unfavourable effect on the new subscription. No more than 22,500*l.* was raised; and the Directors, as usual, presented a memorial to the King lamenting their fate and craving relief.

New difficulties, however, awaited the Company. The Parliament having refused to grant supplies for conducting an army against Scotland, and the King being in urgent want of money for the public service, obliged the East India Company to sell to the Crown the whole stock of pepper in their warehouses, amounting to 2310 bags, or 607,522 lbs., which was bought by the King on credit at 2*l.* 1*d.* per pound; or 63,283*l.* 11*s.* 1*d.*, for which four bonds of 14,000*l.* each, and one for 7283*l.* were given by the farmers of the customs and Lord Cottington to the Company, under agreement that one of the bonds was to be paid regularly every six months. This pepper was sold by the King to different merchants for ready money at 1*l.* 8*d.* per pound, thus producing 50,626*l.*

Of the money thus due to the Company it appears that 13,000*l.* had been allowed them out of the duties which they owed; the farmers declared their inability to advance the remainder, although the Company threatened to arrest them. The Company then presented a petition to the House of Commons stating that upwards of 47,000*l.* was due, and as they owed customs to the amount of 12,000*l.* prayed that this sum might be allowed in liquidation of part of the debt, and measures taken to enable them to recover the remainder, of which they were much in want, being under a very heavy debt at interest. The King endeavoured to protect those who stood responsible for him, but it does not appear that the Company recovered the large balance due to them.

Our space will not admit of a detail of the proceedings of the Company's factors in Persia and India; but they may be judged of from the state of affairs among the Directors at home. In Persia, the agent having died, an examination of his books proved that instead of applying the Company's money to the promotion of their trade, he had lent above 12,000*l.* to the Dutch, whereby they had been enabled to obtain silk, and to bear down the English purchasers of that article. The arrival of Courten's ships in the East seems to have spread dismay among the factors, and for a time to have suspended all trade. Still, however, something was done; a settlement was effected at Madras, "the only station as yet chosen, which was destined to make a figure in the future history of the Company." It had long been the opinion of the agents at Masulipatam that a fortified station on the Coromandel coast was necessary to protect the Company's servants and property both against the Dutch and the native governors; for this reason Fort Armegauum had been erected; but this not proving a convenient station for providing the muslins and wove goods of India and China, for which the trade to the coast of Coromandel was chiefly pursued, advantage was taken, in 1640-41, of the permission of the local native chief to erect a fort at Madraspatam. So important was this station considered, that, without waiting for the orders of the Directors at home, the agent commenced the building to which he attached the name of Fort St. George.

The trade was greatly injured for want of funds. The agents in the East raised loans of the Portuguese to enable them to complete their cargoes, and the Directors at home made efforts to obtain money by a new subscription; their object however was to obtain no more than was sufficient for the immediate supply of the trade, "lest it should be exposed to risks, from the wants of the Crown, or the demands of its opponents." The sum subscribed was 105,000*l.*, which was cautiously described to be for the purpose of the "First General Voyage." No account has been preserved of the ships, or of the distribution of the funds: and, indeed, during several years from this date, the annual equipments of the Company are unknown, as is also the source whence their funds were derived. The unsettled state of the country may sufficiently account for any want of information on the subject.

The policy of the Company during the Civil War is sufficiently evident. Their object was to support their charter and privileges against the tide of public opinion, which had set in strongly against monopolies: the Company endeavoured, according to Bruce, "to keep out of view questions regarding their rights, and yet make an impression on the public of the importance of the East India trade to the manufacturing and commercial part of the community. The measure adopted by the Company on this occasion was to bring forward the plan of a new subscription to support the trade, which was communicated to the Parliament; and as the Court were satisfied that the only motive which could influence the leaders of this assembly, was the prospect of gain to themselves, as individuals, an advertisement was published, stating that a limited time would be allowed to the subscribers to fill up the list, but, in deference to members of Parliament, the period would be prolonged in their favour, that they might have an opportunity to consider of the subject, and to become subscribers. This plan succeeded, and the approbation of the Commons was obtained, not only of the plan itself, but of the advantages which it held out to such of their number as might be disposed to become subscribers, or members of the East India Company, and being accepted by the Parliament, it, in fact, recognised or gave a public sanction to the rights and privileges of the Company."

But the renewal of the Charter, which was made the condition of the fourth joint-stock, had not yet been granted.

In 1650 the Company presented a memorial to the Council of State, in which the continued existence of Courten's Association, was made the chief subject of complaint. The consent of the King to withdraw the licence to those rivals was urged; their depredations were enlarged on, and their present application to Parliament for permission to form a settlement on the Island of Assada, near Madagascar, was made the subject of earnest complaint. After enumerating a variety of matters, the Company prayed that the Council of State would recommend the House of Commons to pass an act, for the support and encouragement of the East India trade as managed by the Company.

The Council of State did not enter upon the question of the Company's rights, but recommended them to come to some agreement with the Assada merchants, as Courten's Association was now called. The latter preferred a separate trade on their own funds to incorporation with the Company; but being probably aware that their existence as a separate body would be no longer permitted, they proposed certain terms to the Company, by which they agreed to associate with them. After some objection and discussion on both sides a union was effected, and application was made for an Act of Parliament to confirm and regulate the trade. A resolution was passed in Parliament directing it to be carried on by a joint-stock; but all further decision respecting the Company's affairs was suspended. A stock was accordingly formed, called the "United Joint-Stock," but its amount is unknown. It appears that two ships were fitted out in the season 1649-50, carrying bullion to the amount of 60,000*l.*

It could hardly be expected that the two rival bodies should work well together; their affairs were in such a state of complexity, arising chiefly from the number of separate capitals, that it was recommended by each of the Presidencies to obtain an Act of Parliament to combine those separate stocks.

The proceedings of the Company at home about this period, are very obscurely stated; but in the East the English obtained, in Bengal, the first of those peculiar privileges which had so much influence on the subsequent fortunes of the Company. This event has been variously stated by various writers, but as no one seems to have taken so much pains to arrive at the truth as Mr. Wilson, the Editor of the last edition of MILL's *History of British India*, we follow his account.

The surgeons of the Company's ships had been occasionally employed by Mahomedans of rank at Surat and other places, and had acquired credit for their skill and science. Whilst Shah Jehan was in the Dekhan, one of his daughters was dreadfully burnt, and, at the recommendation of the Vizier, an express was sent to Surat for an English surgeon. The factory dispatched Mr. Gabriel Boughton, who was fortunate enough to cure the princess, and thereby acquired that favour with the emperor, which he used to procure the privilege of free trade for the English. He was afterwards in the service of Prince Shuja, whilst in the government of Bengal, and was thus enabled to promote the interests of his countrymen.

The wars which raged among the natives on the Coromandel coast, rendered commerce difficult and uncertain. The Directors refused to add to the fortifications at Madras, on the ground of expense, but Fort St. George was erected into a Presidency in 1653-4. About this time the war between Cromwell and the Dutch, though favourable to the British arms in Europe, was dangerous to the prosperity of the Company in India; all trade on the part of the English was nearly at an end, and scarcely a ship dared to put out for fear of being caught in the clutches of their powerful rival.

But Cromwell soon reduced the Dutch to the necessity of asking for peace, almost on his own terms, and it was granted. In the treaty concluded at Westminster, in 1654, a clause was inserted, in which they engaged to conform to whatever justice might prescribe, regarding the massacre at Amboyna. It was also agreed to name commissioners, four on each side, who should meet at London, to make an adjustment of the claims of the two nations. "One remarkable and not an ill-contrived condition was, that if the appointed commissioners should, within a stipulated time, be unable to agree, the differences in question should be submitted to the judgment and arbitration of the Protestant Swiss Cantons."